

16 JUL 1980

TAPE 7
Side A, 0 -

I'd like to get a notebook to keep in my desk with all the NSCIDs and all the DCIDs in it, please.

I'd also like to find out what ever happened to the program to revitalize those DCIDs that were not controversial. I remember something coming back on this a while ago indicating there were problems even with that, but I still thought something was going forward.

NEWHOUSE NEWS

BY LEONARD CURRY

NEWHOUSE NEWS SERVICE

WASHINGTON - DESPITE U.S. PRICE CONTROLS AND WORLD COMPLAINTS OF CHEAP GASOLINE IN THE UNITED STATES, THE CIA REPORTS THAT AMERICANS PAY NEARLY AS MUCH FOR GASOLINE AS DO CITIZENS OF OTHER DEVELOPED NATIONS WHEN TAXES ARE FACTORED OUT.

THIS INDICATES THAT BARRING ANY NEW SURGE IN PRICES BY THE ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES OR NEW ENERGY TAXES BY THE U.S. GOVERNMENT, DOMESTIC ENERGY CONSERVATION THROUGH PRICING MAY BE NEAR ITS PEAK.

THE AMERICAN PETROLEUM INSTITUTE ESTIMATES U.S. DEMAND FOR GASOLINE IS ABOUT 8 PERCENT LOWER THAN IT WAS A YEAR AGO, PROBABLY BECAUSE HIGHER PRICES HAVE ENCOURAGED CONSERVATION. API ALSO CALCULATES THAT DOMESTIC DEMAND FOR GASOLINE DECLINES 2 PERCENT FOR EACH 10 PERCENT INCREASE IN PRICES.

WITH PRESIDENT CARTER'S DECISION LAST YEAR TO PERMIT U.S. PRICE CONTROLS ON ENERGY TO ELAPSE, DOMESTIC ENERGY PRICES ARE EXPECTED TO RISE TO WORLD LEVELS BY THE SPRING OF 1981. AT PRESENT LEVELS, THAT MEANS U.S. PRICES WOULD INCREASE ONLY ABOUT ANOTHER 10 PERCENT WHICH WOULD TRIM DEMAND SOME 2 PERCENT.

THE CIA ALSO POINTS OUT THAT GASOLINE PUMP PRICES HAVE RISEN FASTER IN PERCENTAGE TERMS IN THE UNITED STATES THAN IN MOST OTHER DEVELOPED NATIONS SINCE THE ARAB OIL EMBARGO KICKED OFF ENERGY INFLATION IN 1973. THIS HAS OCCURRED BECAUSE SOME DEVELOPED COUNTRIES WITH HIGH TAXES HAVE REDUCED THEM TO OFFSET THE IMPACT OF RISING PRICES.

BETWEEN JUNE 1977 AND JUNE 1978, GASOLINE PUMP PRICES IN THE UNITED KINGDOM ACTUALLY DECLINED 15 CENTS A GALLON, BECAUSE OF A 10-CENT-A-GALLON TAX CUT AND THE DEVELOPMENT OF NORTH SEA OIL.

WHEN OPEC DOUBLED WORLD PETROLEUM PRICES IN THE SPRING OF 1979, U.S. GASOLINE PRICES INCREASED 23 CENTS. BUT BECAUSE OF GOVERNMENT CUTS IN GAS TAXES, GERMAN CONSUMERS ONLY PAID 13 CENTS A GALLON MORE, AND IN ITALY PRICES REMAINED UNCHANGED.

FOR A WHILE LAST YEAR, AMERICANS PAID HIGHER GASOLINE PRICES BEFORE TAXES THAN THE ITALIANS OR THE FRENCH.

PRE-TAX GASOLINE PRICES IN ITALY REMAINED AT 60 CENTS A GALLON BETWEEN JUNE 1978 AND JUNE 1979. IN THAT 12-MONTH PERIOD, U.S. PRE-TAX GASOLINE PRICES ROSE FROM 51 CENTS A GALLON TO 74 CENTS.

IN ITALY, THE TAX PER GALLON IN JANUARY 1980 WAS \$1.83; FRANCE, \$1.62; WEST GERMANY, \$1.14; AND THE UNITED KINGDOM, 89 CENTS. THIS COMPARES WITH 14 CENTS IN THE UNITED STATES. THE DIFFERENCE BETWEEN PUMP PRICES IN EUROPE AND THE UNITED STATES IS PRIMARILY A MATTER OF GOVERNMENT TAXATION.